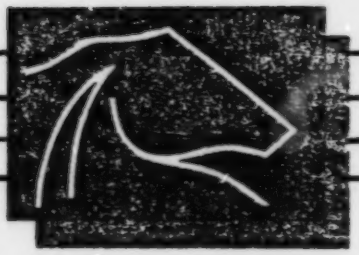

Alberta Motion Picture
Development Corporation

Annual Report

1983-84

MEMBERS OF THE BOARD OF DIRECTORS

Orville Kope, Chairman
Helen Hammond, Secretary-Treasurer
Terry Coles
Carrie Hunter
Rex Little
Thomas Peacocke

MEMBERS OF THE ADVISORY COMMITTEE

Eda Lishman, Chairman
Nick Bakyta
Doug Hutton
Anne Wheeler
Peter Whyte

PRESIDENT

Lorne W. MacPherson

Alberta Motion Picture
Development Corporation

Funded by the Government of Alberta
to assist the growth of an industry

June 27th, 1984.

The Honourable Hugh Planch,
Minister of Economic Development,
320 Legislative Building,
EDMONTON, Alberta.

Dear Mr. Planche:

I have the honour to present to you, in accordance with the provisions of Section 9 of the Motion Picture Development Act, 1981, the Annual Report of the Alberta Motion Picture Development Corporation for the year ended March 31st, 1984.

Yours truly,

ALBERTA MOTION PICTURE DEVELOPMENT CORPORATION

Orville Kope,
Chairman of the Board.

Enclosure

ALBERTA MOTION PICTURE DEVELOPMENT CORPORATION
1984 ANNUAL REPORT

Fiscal 1983/84, the first full year of operation, was significant for the Alberta Motion Picture Development Corporation in terms of film and video production development activities and experience gained in fulfilling our mandate.

Originally, the Government of Alberta earmarked $3 million to the Alberta Motion Picture Development Corporation for the purpose of making loans for development. Interest accrued on this principle is $1,081,198.00. At March 31st, 1984, 25 projects had been approved for loan commitments totalling $1,189,546.00. Of this sum, the following has been allocated as follows: $829,783.00 for development of feature movies (theatrical and television movies); $251,500.00 for television series; and $108,263.00 for documentaries or shorts. Two productions, one a television movie "DRAW", starring Kirk Douglas and James Coburn, and a television pilot "GRIZZLIES OF HANNINGTON - THE GREAT DIVIDE" have completed production. Production budgets on all projects when produced will total approximately $75 million. It is anticipated that four more projects will go into production by the end of 1984.

BOARD APPOINTMENTS

New Board members effective May, 1984, are: Carrie Hunter, Director of the Banff Television Festival; Rex Little, Chartered Accountant for Campbell Associates of Lethbridge; and Terry Coles, President of CFCN Television in Calgary. They join Board members Orville Kope, Chairman of the Board and Senior Vice-President of Corporate Affairs for The Monarch Group; Helen Hammond, Corporate Partner of Foster Research and Secretary-Treasurer of the Board; and Thomas Peacocke, Actor and Drama Professor at the University of Alberta. Former Board members Ken Chapman and Aristides Gazetas tenures expired in March, 1984.

ADVISORY COMMITTEE

The members of the AMPDC Advisory Committee represent years of experience and expertise in the Alberta film and video industry. They are Eda Lishman, film producer and chairman of the Committee; Nick Bakyta, film producer; Doug Hutton, television producer; Anne Wheeler, film producer and director; and Peter White, film and television writer.

KEEPING PACE WITH INDUSTRY DEVELOPMENT

The Canadian film and video industry is in the throes of an extensive re-structuring. Recommendations made originally in the Federal Applebaum/ Hebert Report are reiterated and defined in the recently released National Film and Video Policy presented by Francis Fox, Federal Minister of Communications. These recommendations have affected the key players in the Canadian film and video industry, including the National Film Board, Telefilm Canada (formerly the Canadian Film Development Corporation), the Canadian Broadcasting Corporation and other television networks and broadcasters, and the many independent producers, distributors and film exhibitors throughout Canada. There is agreement amongst these organizations, including the AMPDC, of the strategies involved in obtaining the long term objectives of the Canadian film and video industry. They include the following:

1. Strengthen the quality of Canadian productions;

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2. Increased support for promotion and marketing of Canadian product, both domestically and internationally;
3. Greater access to screens, including Canadian productions to Canadian audiences;
4. Increased access to the American market with a greater proportion of profits going to Canadians.

Identifying and dealing with these complexities has resulted in a new spirit of co-operation between traditionally diverse factions within the industry. This joining of forces has increased the effectiveness of these individual entities and promises a considerable degree of success in meeting todays challenges.

No comparable government funded agency with the AMPDC mandate and regulations exists to look to for precedent. Script development, investment and marketing agencies have been established, but none are as broad with respect to what is defined as development. Striking a balance between the vast number of applications and the funds available has been (and continues to be) a very awesome task. Added to that is the obvious difficulty in evaluating projects for commercial viability, producers' capabilities and potential for financing, and benefits to the industry in Alberta. Fortunately, everyone associated with the Corporation accepts that responsibility with vigor and diligence.

MARKETING

To effectively utilize the $3 million Motion Picture Development Fund, the exigencies of marketing Alberta motion pictures must be addressed. Motion picture marketing in Alberta, indeed throughout Canada, has been historically difficult for numerous reasons, many beyond individual producers' control. It is further exacerbated by the current, highly volatile climate worldwide for film and television production, brought about by economic conditions, costs of production, pay television, state-of-the-art production and transmission technology and vastly fluctuating audience tastes and habits.

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FINANCING

Closely linked to marketing demands is the difficulty of raising production financing. Developments in this area have been dramatic over the past few years. Prior to 1981, Canadian motion picture producers enjoyed the benefits of a large pool of investor capital resulting from generous income tax incentives. However, beginning in 1980 and continuing to date, this source of capital has virtually disappeared due to changes in the Income Tax Act, economic recession and the generally poor earnings record of feature films. Motion picture production consequently dropped drastically in 1981 and is only now reviving as a result, in part, of pay television's requirements to broadcast and finance independent Canadian film productions and the creation by the Government of Canada in early 1983 of the $250 million Canadian Broadcast Fund for television programming. In spite of the latter two developments, financing of motion pictures is still very difficult and new approaches are constantly required.

STRATEGIES

To assist the motion picture industry in Alberta, the Corporation has developed a marketing/financing program which is currently being implemented and includes, as funds permit, the following:

1. A general promotional publication describing projects in development, the AMPDC, the industry in Alberta and a pitch for co-productions, financing, pre-sales, etc;

2. A personnel contact campaign in the industry, particularly at major marketplaces by Corporation staff;

3. Extensive meetings with Alberta and Canadian broadcasters to encourage licensing of Alberta projects for purposes of accessing the new Telefilm Canada Broadcast Fund;

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4. Publicity campaign through trade publication advertisements to raise the consciousness of the international industry to Alberta's potential for productions, co-productions and investment;

5. Developing a program of linking client/producers, where appropriate, with distributors for early consultation on financing and marketing strategies;

6. Commencing a campaign amongst the traditional financial community; brokers, investment counsellors, etc., to bring them back into film investment.

Naturally, the financing and marketing of film and television product rests with the producer--all we can do is help. We are committed to that and trust that those endeavours will prove fruitful.

PROJECTS IN DEVELOPMENT

FEATURE FILMS - TELEVISION AND THEATRICAL:

THE DREAM GRINDER - Semi-Arid Media Productions Ltd., Dagmar Sulmanis, Producer, to pre-produce a theatrical feature-length film based on a children's musical.

ENCORE - Francalberta Films Ltd., Pierre Zimmer and Eda Lishman, Producers, to pre-produce a theatrical feature-length film based on a love story, musical set on a train trip across Canada and an Opera House in Vancouver.

GRADUATION - Mustang Film Productions Ltd., James Gubersky, Producer, to pre-produce a theatrical feature based on an original comedy script dealing with high school girls "coming of age".

HORIZON - Maggie's Movies Ltd., Margret Kopala, Producer, to pre-produce a feature film based on the Sinclair Lewis book, "AS FOR ME AND MY HOUSE".

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JOHN WARE'S COW COUNTRY - Four Nine Film Productions Ltd., Maxine Samuels, Producer, a six hour television series or two hour feature story on John Ware, the black Albertan cowboy, based on the novel by Grant MacEwan.

THE LONG TAKE - Long Take Productions Ltd., James Makichuk, Producer, to pre-produce a theatrical feature-length film based on a comedy satire of a filmmaker's "making it in the movies".

THE SAINT GAME - Saint Game Productions Ltd., Simon Peers, Producer, to pre-produce a feature theatrical and television movie based on the novel "THE SAINT GAME".

THE STUDHORSE MAN - Moonstone Enterprises Ltd., Michelle Stirling, Producer, to pre-produce a theatrical feature-length film based on Robert Kroetch's novel, "THE STUDHORSE MAN".

TALKING DIRTY - Douglas Communications Ltd., Michael Douglas, Producer, to pre-produce a made-for-television movie based on the award winning Sherman Snukal play, "TALKING DIRTY".

TICKETS - Ticket Film Productions Ltd., Reevan and Mark Dolgoy, Producers, to pre-produce a made-for-television movie based on an original story on a love-lottery scam.

UNSEELIE - Penworth Productions Inc., Eda Lishman, Producer, to pre-produce a theatrical feature fantasy story of humans interfering with past "spirits" who fight back.

BROTHEL! - Altor Media Corporation, Donald Ginsberg and Grace Gilroy, Producers, to pre-produce a feature-length theatrical comedy.

STRICKER'S MOUNTAIN - Wendy Wacko Productions Ltd., Wendy Wacko, Producer, to pre-produce a two hour made-for-television movie as a basis for a television series. This project is an adventure story set in the Canadian Rockies surrounding a ski resort.

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TELEVISION SERIES:

THE YOUNG REPORTERS - Douglas Communications Ltd., Michael Douglas, Producer, to produce a 1/2 hour pilot for a television series based on teenage relationships set in the newspaper business.

CHEZ BURRITTO - The Burlesque Picture Company Ltd., Arvi Liimatainen and Peter Campbell, Producers, to produce a television series pilot.

GOOD TIMES AT THE RAINBOW BAR AND GRILL - Snack Bar Film Corporation, Michael Lebowitz and Grace Gilroy, Producers, a one-hour pilot for a television series based on a Western rock musical drama.

THE LITTLE VAMPIRE - Primedia Productions Ltd. and Polython, Pat Ferns, Producer, to pre-produce a 13-part, 1/2 hour television series based on a children's vampire fantasy.

SUN RISE - SUN SET - Mustang Film Productions Ltd., James Gubersky, Producer, to pre-produce a 15-hour television series based on the story of "Two-Gun Cohen", the Albertan adventurer in China.

CREE... THE LAST WAR CRY - Filmline (Big Bear) Productions Ltd., Michael Spencer, Producer, to pre-produce a six, one hour television series based on Rudy Wiebe's award winning novel, "TEMPTATIONS OF BIG BEAR".

RIDERS OF THE PLAINS - Rose Films Inc., Moonstone Enterprises Ltd., Marie Jose Raymond and Michelle Stirling, Producers, to pre-produce a television mini-series based on the experiences of R.B. Nevitt, M.D., the doctor who accompanied the North West Mounted Police on their trek into Western Canada in 1973.

DOCUMENTARIES AND SHORTS:

GRIZZLIES OF HANNINGTON (THE GREAT DIVIDE) - Karvonen Films Ltd., Albert Karvonen, Producer, to produce a 1/2 hour wildlife television pilot for a 13-part series.

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RIVER OF BONES - Tinsel Media Productions Ltd., Nicholas Bakyta, Producer, to pre-produce a one hour docu-drama on archaeological aspects of the Red Deer River.

OFFSHORE SAFETY - Filmwest and Associates Ltd., George Christoff, Producer, to pre-produce industrial safety films on offshore drilling rigs.

SHOOTING STARS - 307012 Alberta Ltd., Allan Stein, Producer, to pre-produce a one hour docu-drama based on the Edmonton Grads Basketball team.

VEINS OF DARKNESS - Tinsel Media Productions Ltd., Nicholas Bakyta, Producer, to pre-produce a television series based on the heroin trade.

THE FUTURE

Even with the many variables inherent in the film and video production industry, the future holds much promise. The demand for quality programming continues to increase. The appetites of the new transmission technologies are insatiable. The industry, worldwide, is in transition. New giants are emerging as old ones disappear. The film and video production industry is an integral part of the new information explosion and it is here to stay. The experience gained by the AMPDC this past year has allowed Alberta producers to take advantage of the many opportunities which present themselves, almost daily, and move ever closer to the realization of the ultimate goal... an indigenous Alberta film and television industry.

ALBERTA MOTION PICTURE DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 1984

Auditor's Report

Balance Sheet

Statement of Operating Expenses

Notes to the Financial Statements

OFFICE OF THE AUDITOR GENERAL

ALBERTA LEGISLATURE

OFFICE OF THE AUDITOR GENERAL

AUDITOR'S REPORT

To the Board of Directors of the
Alberta Motion Picture Development Corporation

I have examined the balance sheet of the Alberta Motion Picture Development Corporation as at March 31, 1984 and the statement of operating expenses for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1984, and the results of its operations for the year then ended in accordance with the disclosed basis of accounting, considered appropriate in the circumstances, as described in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F.C.A.
Auditor General

Edmonton, Alberta
June 27, 1984

Statement A

ALBERTA MOTION PICTURE DEVELOPMENT CORPORATION

BALANCE SHEET

AS AT MARCH 31, 1984

	1984	1983
ASSETS		
Operating Account		
Cash	$ 27,171	$ 9,687
Prepaid expenses	7,015	43,847
Leasehold improvements	32,900	32,900
Furniture and equipment	72,327	70,194
Total operating account assets	139,413	156,628
Loan Account		
Cash	-	20,097
Short-term deposits	200,000	230,000
Loans to motion picture producers (Note 3)	740,538	153,922
Total loan account assets	940,538	404,019
	$1,079,951	$560,647
LIABILITIES		
Operating Account		
Accounts payable	$ 13,075	$ 13,582
Deferred Province of Alberta contribution, net (Note 4)	21,111	39,952
Capital surplus	105,227	103,094
Total operating account liabilities	139,413	156,628
Loan Account		
Bank overdraft	21,889	-
Due to the Motion Picture Development Fund (Note 5)	918,649	404,019
Total loan account liabilities	940,538	404,019
	$1,079,951	$560,647

The accompanying notes are part of these financial statements.

Statement B

ALBERTA MOTION PICTURE DEVELOPMENT CORPORATION

STATEMENT OF OPERATING EXPENSES

FOR THE YEAR ENDED MARCH 31, 1984

	1984	1983
Salaries and employee benefits	$129,127	$ 67,793
Promotion, marketing and travel	92,691	46,306
Office rental	33,883	14,328
Advertising	26,950	10,298
Honorariums	21,535	24,336
Professional fees	14,016	12,766
Office supplies	12,901	9,004
Telephone	11,184	5,499
Board meetings	8,796	21,877
Advisory committee meetings	4,772	4,839
Delivery and freight	4,507	2,655
Equipment rental	3,638	2,439
Leasehold improvements and equipment	2,133	103,094
Repairs and maintenance	1,558	1,294
Insurance	180	561
	$367,871	$327,089
Contribution by the Province of Alberta (Note 4)	$367,871	$327,089

ALBERTA MOTION PICTURE DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1984

Note 1 Authority

The Alberta Motion Picture Development Corporation operates under the authority of the Motion Picture Development Act, Chapter M-19.1, Statutes of Alberta 1981.

Note 2 Significant Accounting Policies

General:

These financial statements have been prepared in accordance with generally accepted accounting principles except that no amortization or depreciation has been provided on leasehold improvements or furniture and equipment as these assets are charged to operations in the year of acquisition and are shown on the balance sheet at cost with the offsetting credit to capital surplus.

Changes in Financial Position:

A statement of changes in financial position is not provided as disclosure in these financial statements is considered adequate.

Note 3 Loans to Motion Picture Producers

These loans are limited to 60% of the total funds required for the pre-production stage of motion pictures.

	1984	1983
Balance at beginning of year	$153,922	$ -
Add:		
Loans advanced	769,848	352,480
Accrued interest	49,183	14,942
	972,953	367,422
Deduct:		
Loans repaid	168,000	-
Allowance for non-recovery of loans	64,415	213,500
	232,415	213,500
Balance at end of year	$740,538	$153,922

The allowance arises from management's ongoing assessment of the ability of the motion picture producers to obtain financing to cover the full cost of producing motion pictures and to repay the loans.

Note 4 Deferred Province of Alberta Contribution, net

Operating expenses of the Corporation are paid by the Province of Alberta. The unexpended portion of the contribution by the Province has been deferred to cover future operating expenses.

	1984	1983
Deferred at beginning of year	$ 39,952	$167,694
Cash received during the year	354,829	199,347
	394,781	367,041
Operating expenses for the year	367,871	327,089
	26,910	39,952
Due from the Province of Alberta	5,799	-
Deferred at end of year	$ 21,111	$ 39,952

Note 5 Due to the Motion Picture Development Fund

The Act provides for advances to be made to the Corporation by the Motion Picture Development Fund for the purpose of making loans to motion picture producers. Interest received by the Corporation on these loans and any other income accrues to the Fund. Loan repayments retire advances and any non-recovery of loans reduces the liability of the Corporation to the Fund.

The amount shown in the balance sheet comprises:

	1984	1983
Balance at beginning of year	$ 404,019	$ -
Advances	786,763	587,500
Interest receivable or received on loans to motion picture producers	50,601	14,942
Other interest income	35,093	15,077
	1,276,476	617,519
Less: Allowance for the estimated non-recovery of loans to motion picture producers (Note 3)	64,415	213,500
Repayments to the Fund	293,412	-
	357,827	213,500
Balance at end of year	$ 918,649	$404,019

Note 5 Due to the Motion Picture Development Fund (continued)

The Motion Picture Development Fund is held by the Provincial Treasurer. On the direction of the Lieutenant Governor in Council, the Provincial Treasurer has advanced $3,000,000, the maximum permitted under the Act, to the Motion Picture Development Fund. This sum, together with interest thereon, is available to the Motion Picture Development Corporation unless the Provincial Treasurer is directed by the Lieutenant Governor in Council to return to the General Revenue Fund any money advanced that is not required for the purposes of the Act.

Note 6 Lease Commitment

Effective August 1, 1982, the Corporation signed a five year lease for office accommodation in Canmore, Alberta. The lease has a four year renewal term and a minimum annual rent of $30,553.

Note 7 Contingent Liabilities

Guarantees of bank loans:

As at March 31, 1984, the Corporation is contingently liable as a guarantor of bank loans aggregating $57,000 (1983 $NIL).

Note 8 Comparative Figures

The 1983 figures have been restated where necessary to conform to 1984 presentation. The year ended March 31, 1984 is the first complete year of full operations for the Corporation.

Note 9 Approval of Financial Statements

These financial statements were approved by management on June 27, 1984.

POOR

QUALITY

ORIGINAL